

Message Text

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ACTION EB-08

INFO OCT-01 ARA-14 ISO-00 SSO-00 INRE-00 AGRE-00

CIAE-00 COME-00 INR-10 LAB-04 NSAE-00 SP-02

STR-07 TRSE-00 FRB-01 OMB-01 /048 W

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O 102032Z APR 78

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC IMMEDIATE 9427

INFO AMCONSUL MONTERREY

ALL OTHER USCONS MEXICO POUCH

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E.O. 11652: N/A

TAGS: ETRD, ELAB, MX

SUBJECT: DATA ON TSUSA 807 APPAREL (MAQUILADORAS); TEXTILES

REF: STATE 36498

1. (A) ACCORDING TO GOM AGENCY SUPPLYING DATA, THERE ARE CURRENTLY 141 IN-BOND ASSEMBLY (MAQUILADORA) PLANTS PRODUCING APPAREL AND SHOES FOR EXPORT. "APPAREL AND SHOES" CATEGORY IS NOT BROKEN DOWN FURTHER, BUT GOM INFORMS US THAT ONLY ABOUT TEN OF THE 141 FIRMS UNDER THIS CLASSIFICATION PRODUCE SHOES AND FOOTWEAR, WITH REMAINDER IN APPAREL FIELD. ASSUMING THERE ARE 131 APPAREL MAQUILADORA PLANTS, THIS REPRESENTS 27.3 PERCENT OF 480 MAQUILADORAS OF ALL TYPES CURRENTLY OPERATING IN MEXICO.

(B) COMPARATIVE 1973 DATA, TAKEN FROM MEXICO CITY A-478, SEPTEMBER 17, 1973 (SUBJECT "MEXICAN IN-BOND INDUSTRY PROGRAM") FOLLOW: IN FEBRUARY 1973, 84 OF 366 MEXICAN MAQUILADORAS WERE IN TEXTILES-APPAREL, AND IN AUGUST 1973, 108 OUT OF TOTAL 426 WERE IN TEXTILES- AP-
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PAREL. EARLIER FIGURES SHOW 77 OUT OF 293 MEXICAN MAQUILADORAS OPERATING IN JUNE 1971 WERE IN TEXTILES-APPAREL. OBVIOUSLY, THERE HAS BEEN AN INCREASE IN THE NUMBER OF APPAREL PLANTS.

2. (A) BULK OF MEXICAN MAQUILADORA PLANTS, INCLUDING APPAREL PLANTS, CONTINUE TO BE IN BORDER AREA, WHICH ARE

FAVORED FOR EASIER ACCESS TO US MARKET AND TO ANY US "TWIN PLANTS" ASSOCIATED WITH MEXICAN ASSEMBLY OPERATION. CURRENTLY, 426 OF TOTAL 480 MAQUILADORAS ARE LOCATED IN BORDER CITIES OR AREAS. OF 141 MAQUILADORAS IN "APPAREL AND SHOE" CATEGORY, 117 ARE LOCATED IN BORDER ZONES AND ONLY 24 IN INTERIOR CITIES. APPAREL MAQUILADORAS ARE CONCENTRATED IN MEXICALI (35 PLANTS); TIJUANA (26 PLANTS); AND CIUDAD JUAREZ (25 PLANTS), WITH A TOTAL OF 86 PLANTS OR 61 PERCENT OF THE 141 "APPAREL AND SHOE" PLANTS LOCATED IN THESE THREE CITIES ALONE. FOLLOWING THESE "BIG THREE" CITIES, CURRENT DATA SHOW EIGHT APPAREL AND SHOE PLANTS IN NOGALES; SIX IN CHIHUAHUA; AND FIVE IN MEXICO CITY. THESE SIX CITIES HAVE TOTAL OF 105 PLANTS, WITH REMAINING 36 PLANTS SCATTERED AMONG 20 OTHER CITIES.

(B) IN TERMS OF EMPLOYMENT, GOM DATA SHOW THAT AT END OF SEPTEMBER 1977 MAQUILADORAS IN APPAREL AND SHOE CATEGORY EMPLOYED JUST UNDER 16,000 PEOPLE, OR 20.5 PERCENT OF TOTAL

TRAINED PERSONNEL THAT WOULD HAVE TO BE RE-LOCATED.

3. INFORMATION ON LABOR SITUATION (STATUS OF UNIONS, LABOR ACTIVITIES, ETC.) IN MAQUILADORA SECTOR IS CONTAINED IN MEXICO CITY A-217, NOVEMBER 30, 1977 ("A SOCIAL VIEW OF THE MEXICAN IN-BOND INDUSTRIES"), WHICH IS BASED ON VISITS BY EMBASSY'S LABOR ATTACHE TO VARIOUS MAQUILADORAS DURING PAST YEAR. MOST MAQUILADORA PLANT (APPAREL AND UNCLASSIFIED

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OTHER) WORKERS BELONG TO THE LARGEST UNION CONFEDERATION OF MEXICO, THE CTM, WHICH IS AFFILIATED WITH THE RULING PRI POLITICAL PARTY. HOWEVER, MAQUILADORAS IN THE NORTHERN STATE OF SONORA (WHICH HAS TOTAL OF 61 MAQUILADORA PLANTS, INCLUDING 11 APPAREL MAQUILADORAS: EIGHT IN NOGALES AND THREE IN AGUA PRIETA) ARE NOT REPRESENTED BY ANY LABOR UNION. FEW MAJOR LABOR PROBLEMS OCCUR FOR REASONS EXPLAINED IN MEXICO CITY A-217.

4. (A) MEXICO CITY A-217 ALSO PROVIDES INFORMATION ON MAQUILADORA WAGES AND ON WORKING AND SAFETY CONDITIONS. RE WAGES, ALL MAQUILADORAS (APPAREL AND OTHER) VISITED BY LABOR ATTACHE PAID THE LEGAL MINIMUM WAGE TO ALL ASSEMBLY LINE WORKERS, AND GENERALLY COMPLIED WITH MEXICAN LAW OR CUSTOM. (IN COMPARISON, NON-COMPLIANCE WITH THE MINIMUM WAGE LAW BY MEXICAN NON-MAQUILADORA EMPLOYERS OF UNSKILLED OR SEMI-SKILLED WORKERS RUNS BETWEEN AN

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STR-07 TRSE-00 FRB-01 OMB-01 /048 W
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FM AMEMBASSY MEXICO
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ESTIMATED 50-80 PERCENT). MAQUILADORA WAGE RATES FOR APPAREL WORKERS ARE ALMOST WITHOUT EXCEPTION THE SAME AS THOSE FOR MAQUILADORA NON-APPAREL WORKERS, I.E., THE LEGAL MINIMUM FOR THE RESPECTIVE GEOGRAPHIC WAGE ZONE. GENERALLY, FRINGE BENEFITS AVERAGE BETWEEN 25-30 PERCENT OF WAGES, WITH SOCIAL SECURITY PAYMENTS AND A FIVE PERCENT PAYMENT TO THE WORKER HOUSING INSTITUTE (INFONAVIT) THE MAJOR OBLIGATORY FRINGE COSTS.

(B). RE WORKING AND SAFETY CONDITIONS, BASICALLY LABOR ATTACHE FOUND THESE IN MAQUILADORAS TO BE CONSIDERABLY BETTER THAN GENERAL NORMS OF MEXICAN INDUSTRY. MAQUILADORA EMPLOYERS COMPLY WITH LEGAL REQUIREMENTS IN THESE AREAS TO A MUCH HIGHER DEGREE THAN DO MEXICAN EMPLOYERS IN GENERAL. LABOR ATTACHE BELIEVES MAQUILADORA EMPLOYERS DO SO OUT OF "HABIT" FROM THEIR US EXPERIENCE, AND ALSO BECAUSE TO SOME DEGREE THEY ARE UNDER A SPOT-LIGHT AS FOREIGN-OWNED OPERATIONS. NOTE: MEXICAN STATUTORY REGULATIONS COVERING WORKING, HEALTH AND SAFETY CONDITIONS CONSIST OF TEN LARGE VOLUMES, AND A 795-PAGE "SUMMARY" OF THESE CODES. THE 1977 ANNUAL LABOR REPORT FOR MEXICO (LOU MEXICO CITY A-124 OF JUNE 21, 1977; OR UNCLASSIFIED

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THE UNCLASSIFIED VERSION IN MEXICO CITY A-169 OF AUGUST 23, 1977) FURNISHES A BRIEF SUMMARY OF THESE REQUIREMENTS.

5. ADDITIONAL COMMENTS CONCERNING MAQUILADORAS BEING SUBMITTED BY SEPTTEL.

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Draft Date: 10 apr 1978
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